

United States Senate

WASHINGTON, DC 20510

March 13, 2014

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The Honorable Thomas Wheeler
Chairman
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Dear Chairman Wheeler:

We encourage the Commission to move forward promptly with implementation of the Remote Areas Fund (RAF) component of the Universal Service Fund. If implemented correctly, RAF could potentially provide the most rural areas of the country, including the most rural parts of New Hampshire and Missouri, with access to advanced broadband services. RAF, which the Commission has proposed to include satellite broadband and fixed wireless, could help ensure that American consumers who live and work in sparsely populated, unserved areas have access to affordable broadband services.

RAF's stated purpose is to ensure that people living in remote areas of the nation can get access to broadband. The most rural and mountainous areas of New Hampshire and Missouri are in great need of broadband communications. The Commission previously stated that RAF would be implemented in late 2012. It is now 2014 and unserved consumers in rural America expect action to access vital communications services. Continued delay in RAF funding roll-out could mean that important broadband services are being denied to the unserved Americans who need these services most.

We are encouraged that the Commission's recent IP transitions item included a commitment to address the challenges of providing service to the most remote, unserved areas of the country by the end of 2014. Please provide us an update as to how the Commission plans to implement the \$100 million annual RAF portion within the Universal Service Fund this year. States like New Hampshire and Missouri stand to benefit from the immediate implementation of this important program and the broadband services it will bring to American consumers in the most rural and unserved areas.

Sincerely,



Kelly Ayotte
United States Senator



Roy Blunt
United States Senator

Cc:

The Honorable Mignon Clyburn

The Honorable Ajit Pai

The Honorable Jessica Rosenworcel

The Honorable Michael O'Rielly



OFFICE OF
THE CHAIRMAN

FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

May 7, 2014

The Honorable Kelly Ayotte
United States Senate
144 Russell Senate Office Building
Washington, D.C. 20510

Dear Senator Ayotte:

Thank you for your letter regarding the implementation of the Remote Areas Fund (RAF). I appreciate your views and will ensure that your letter will be included in the record of the proceeding and considered as part of the Commission's review.

The landmark 2011 *USF/ICC Transformation Order and Further Notice of Proposed Rulemaking (FNPRM)* established the Connect America Fund to ensure that voice and broadband service is available throughout the nation. Within the Connect America Fund, the Commission created the RAF to ensure that even Americans living in the most remote areas of the nation, where the cost of providing terrestrial broadband service is extremely high, can obtain service. The Commission sought comment in the *FNPRM* on various issues relating to the RAF, including how to define eligible remote areas, qualifications and public interest obligations for participating providers, and other administrative issues.

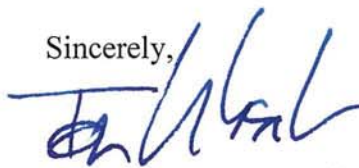
As you note, in the unanimously adopted *Technology Transitions Order*, the Commission recognized that particular challenges exist for the deployment of next generation communications services in rural areas, and committed to address the challenges of providing service to the most remote, difficult to serve areas of the country by the end of the year. Last month, the Commission adopted rules to begin tackling the challenge of serving these areas. Specifically, as part of Phase II of the Connect America Fund we took two important steps related to the competitive bidding process that will occur in areas where the incumbent carrier declines the Commission's offer of model-based support to serve high cost areas. First, we determined that extremely high-cost areas will be included in the Phase II Connect America competitive bidding process, which increases the chance that such areas will be served with robust, scalable broadband service, even before the RAF is implemented. Second, we adopted rules to encourage more providers to participate in the Phase II competitive bidding process, increasing the likelihood that more remote areas will be served with high-capacity broadband.

As we move forward, we will be working simultaneously to implement a mechanism to make funding available for those areas that remain unserved after the Phase II Connect America competitive bidding process is complete.

Page 2—The Honorable Kelly Ayotte

I appreciate your interest in this matter. Please let me know if I can be of any further assistance.

Sincerely,

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Tom Wheeler



FEDERAL COMMUNICATIONS COMMISSION
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OFFICE OF
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May 7, 2014

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United States Senate
260 Russell Senate Office Building
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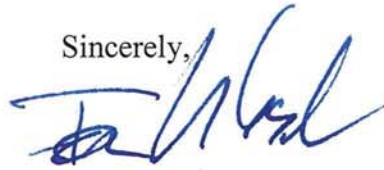
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